

# *The BOTTOM LINE*



## ***Fiscal Year 2014 Department of the Navy Budget Submission***

The Fiscal Year 2014 (FY14) baseline budget submission of \$155.8 billion for the Department of the Navy (DON) remains stable when compared to FY13 projections and reflects continued implementation of the President's new defense strategy begun with the FY13 request. The FY14 budget reflects a strategic direction grounded in the reality of the nation's fiscal challenges and assumes the FY13 budget request remains intact. This budget does not reflect the recently enacted Defense Budget in P.L. 113-6 or sequestration as an end product of the Budget Control Act of 2011. The DON will continue operating forward across the globe, providing the nation offshore options to deter and defeat aggression today and into the future.

The FY14 request for overseas contingency operations (OCO) to fund incremental costs to sustain ongoing operational commitments, manpower, equipment/infrastructure repair, as well as equipment replacement has not been finalized and is not currently included in the FY14 budget.

### **Highlights**

- The published budget reflects deployable battle forces of 273 ships in FY14, including 10 aircraft carriers and 28 large amphibious ships, 4 guided missile submarines and 55 nuclear powered attack submarines. However, due to the Ship Modernization, Operations, and Sustainment Fund (SMOSF) included in P.L. 113-6, which retains seven cruisers and two LSDs previously scheduled for decommission, this number will increase to 282.
- Similarly, the published budget reflects seventeen battle force ships will be retired: 7 frigates, 3 cruisers, 1 nuclear powered attack submarine, 1 amphibious transport dock, 2 amphibious dock landing ships, 2 mine countermeasures ships, and 1 combat logistics ship. However, the SMOSF and the early retirement of USS GUARDIAN will result in this number decreasing to eleven.
- Invest in a 4th SSN homeported in Guam.
- Added one VA Class SSN in FY14. Ship procurement funds 8 new-construction ships (2 SSNs, 1DDG 51, 4 LCS, and 1 AFSB) in FY14 and 41 ships across the Future Years Defense Plan (FYDP).
- Added 21 EA-18G in FY14. Aircraft procurement funds 165 airframes in FY14 and 636 airframes across the FYDP.
- Major aviation procurement includes: 10 F-35B/C, 21 EA-18G, 5 E-2D, 16 P-8A, 25 AH-1Z/UH-1Y, 18 MV-22, and 37 MH-60R/S. FY14 is the final year of EA-18G procurement.
- Terminates the Organic Airborne and Surface Influence Sweep System (OASIS).
- Military basic pay is increased by 1.0 percent.

### ***Key Messages***

- The FY14 budget does not reflect the recently enacted Defense Budget in P.L. 113-6 or sequestration.
- The DON will continue operating forward across the globe, providing the nation offshore options to deter and defeat aggression today and into the future.
- The DON continues implementing the President's new defense strategy begun with the FY13 request.
- The DON budget request for FY14 has remained stable when compared to the FY13 request.

### ***Facts & Figures***

- The FY14 baseline budget is level with the FY13 budget request. It provides:
  - \$45.4 billion for Military Personnel
  - \$48.5 billion for Operation and Maintenance
  - \$43.5 billion for Procurement
  - \$16.0 billion for Research and Development
  - \$2.3 billion for Infrastructure
  - 323,600 Active Navy end strength
  - 190,200 Active Marine Corps end strength
  - 214,406 Civilian full-time equivalents

For DON FY 2014 Budget information visit:

<http://www.finance.hq.navy.mil/fmb/PB/books.htm>